

ASSEMBLY BILL

No. 922

Introduced by Assembly Member Patterson

February 22, 2013

An act to add Section 739.11 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 922, as introduced, Patterson. Public utilities: rates: CARE program: eligibility.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical and gas corporations, as defined. The Public Utilities Act authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer, and requires that electrical and gas corporations file rates and charges, to be approved by the commission, providing baseline rates, and requires the commission, in establishing baseline rates, to avoid excessive rate increases for residential customers. The act requires the commission to establish a program of assistance to low-income electric and gas customers, referred to as the California Alternate Rates for Energy or CARE program. A violation of the act is a crime.

This bill would require the CARE application process to require an applicant to submit proof of income when applying for enrollment. The bill would require the applicant to submit the information under the penalty of perjury. Because the bill would create a new crime, the bill

would impose a state-mandated local program. The bill would require an electrical or gas corporation to conduct a random audit to participants in the CARE program to ensure continued eligibility of the participants. The bill would impose specified penalties, including a monetary penalty, on participants found to be ineligible and would require the electrical or gas corporation to establish a procedure by which a participant may challenge the finding of ineligibility. The bill would specify the manner in which the monetary penalty is to be used.

Because a violation of the above provision would be a crime, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 739.11 is added to the Public Utilities
- 2 Code, to read:
- 3 739.11. (a) The CARE application process developed pursuant
- 4 to paragraph (1) of subdivision (e) of Section 739.1 shall require
- 5 both of the following:
- 6 (1) The submission of proof of income by the applicant when
- 7 applying for enrollment.
- 8 (2) The information submitted with the application is submitted
- 9 by the applicant under the penalty of perjury.
- 10 (b) An electrical or gas corporation shall perform a random
- 11 audit of participants in the CARE program to ensure continued
- 12 eligibility of the participants.
- 13 (c) (1) Upon a finding of ineligibility pursuant to subdivision
- 14 (b), the electrical or gas corporation shall do both of the following:
- 15 (A) Remove the ineligible participant from the CARE program.
- 16 (B) Assess a penalty in an amount that is three times the
- 17 difference between the CARE rates and the corresponding rates
- 18 charged to residential ratepayers not participating in the CARE
- 19 program. The penalty shall be added in the ineligible participant's
- 20 future bill.

1 (2) The electrical or gas corporation shall establish a procedure
2 by which a participant may challenge the finding of ineligibility.

3 (3) Additional revenue collected by an electrical or gas
4 corporation resulting from the assessment of a penalty pursuant
5 to subparagraph (B) of paragraph (1) shall be used for both of the
6 following purposes:

7 (A) To reimburse the corporation for the costs of administering
8 this section.

9 (B) Until the corporation's next periodic general rate case review
10 of cost allocation and rate design, to be a credit toward reducing
11 the rates of residential ratepayers not participating in the CARE
12 program.

13 SEC. 2. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section 17556 of
19 the Government Code, or changes the definition of a crime within
20 the meaning of Section 6 of Article XIII B of the California
21 Constitution.